

STONEPOINT GLOBAL BRANDS INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States Dollars)

March 31, 2009

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF OPERATIONS

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENT OF SHAREHOLDERS' DEFICIENCY

STONEPOINT GLOBAL BRANDS INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in United States dollars)

	Notes	As at March 31, 2009 (unaudited)	As at December 31, 2007 (audited)
ASSETS			
Current			
Cash		\$ 66,886	\$ 236,081
Accounts receivable		34,752	41,411
Inventory		55,856	57,745
Prepaid expenses		26,325	29,301
Current portion of notes receivable	3	73,812	137,472
		<u>257,631</u>	<u>502,010</u>
Property and equipment	4	<u>200,389</u>	<u>220,113</u>
		<u>\$ 458,020</u>	<u>\$ 722,123</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities	5	\$ 289,249	\$ 371,575
Notes payable – short term	1,6,14	365,119	373,145
		<u>654,368</u>	<u>744,720</u>
Notes payable – long term	1,6,14	<u>1,981,771</u>	<u>2,007,205</u>
		<u>2,636,139</u>	<u>2,751,925</u>
Shareholders' deficiency			
Share capital	7	8,788,216	8,788,216
Contributed surplus		711,956	711,956
Equity component of convertible notes	6	55,427	55,427
Accumulated other comprehensive loss		364,905	343,368
Deficit		<u>(12,098,623)</u>	<u>(11,928,769)</u>
		<u>(2,178,119)</u>	<u>(2,029,802)</u>
		<u>\$ 458,020</u>	<u>\$ 722,123</u>

Nature of operations and going concern (Note 1)

Commitments (Note 8)

Subsequent events (Note 14)

On behalf of the Board:

/s/ James Borkowski Director /s/ Aubrey Ryals Director

The accompanying notes are an integral part of these interim consolidated financial statements.

STONEPOINT GLOBAL BRANDS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in United States dollars)

	For the period ended March 31, 2009 (unaudited)	For the period ended March 31, 2008 (unaudited)
REVENUES		
Sales	\$ 446,434	\$ 574,488
Royalties	1,561	-
	<u>447,996</u>	574,488
COST OF GOODS SOLD (Schedule)	<u>(313,273)</u>	<u>(426,934)</u>
GROSS PROFIT	134,723	147,554
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Schedule)	<u>(304,577)</u>	<u>(752,327)</u>
Loss before other items	<u>(169,854)</u>	<u>(604,773)</u>
OTHER ITEMS		
Gain from write-off of accounts payable	-	162,607
Loss and comprehensive loss for the year	\$ (169,854)	\$ (442,166)
Basic loss per common share	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding - basic	15,185,427	15,037,364
Weighted average number of common shares outstanding - diluted	N/A	N/A

The accompanying notes are an integral part of these interim consolidated financial statements.

STONEPOINT GLOBAL BRANDS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States dollars)

	For the period ended March 31, 2009 (unaudited)	For the period ended March 31, 2008 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (169,855)	\$ (442,166)
Items not affecting cash:		
Amortization	15,078	21,506
Accretion interest	17,840	17,548
Gain from write-off of accounts payable	-	(162,607)
Net change in non-cash working capital items	<u>(64,488)</u>	<u>56,675</u>
Net cash used in operating activities	<u>(201,425)</u>	<u>(509,044)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(11,486)
Note receivable	61,059	-
Net cash provided by (used in) investing activities	<u>61,059</u>	<u>(11,486)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares for cash	-	5,428
Proceeds from notes payable	-	685,914
Net cash provided by financing activities	<u>-</u>	<u>691,343</u>
Foreign exchange effect on cash	<u>(28,829)</u>	<u>(1,742)</u>
Decrease in cash	<u>(140,366)</u>	<u>170,811</u>
Cash, beginning	<u>236,081</u>	<u>525,049</u>
Cash, ending	<u>\$ 66,886</u>	<u>\$ 694,118</u>
Supplemental disclosure with respect to cash flows (Note 13)		

The accompanying notes are an integral part of these interim consolidated financial statements.

STONEPOINT GLOBAL BRANDS INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIENCY
(Expressed in United States dollars)

	Number of Shares Issued	Capital Stock Amount	Contributed Surplus	Equity Component of Convertible Notes	Accumulated Other Comprehensive Income	Deficit	Shareholder's Deficiency
Balance at December 31, 2007	15,012,031	\$8,741,301	\$ 637,452	\$ 39,010	\$ (73,196)	\$(9,986,633)	\$ (642,067)
Exercise of stock options (Note 8)	173,396	46,915	(18,988)	-	-	-	27,927
Stock-based compensation	-	-	93,492	-	-	-	93,492
Currency translation adjustment	-	-	-	-	416,564	-	416,564
Convertibility option of debentures	-	-	-	16,417	-	-	16,417
Loss for the year	-	-	-	-	-	(1,942,135)	(1,942,135)
Balance at December 31, 2008	15,185,427	\$8,788,216	\$ 711,956	\$ 55,427	\$ 343,368	\$(11,928,768)	\$ (2,029,802)
Exercise of stock options (Note 8)	-	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	21,537	-	21,537
Convertibility option of debentures	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(169,855)	(169,855)
Balance at March 31, 2009	15,185,427	\$8,788,216	\$ 711,956	\$ 55,427	\$ 364,905	\$(12,098,623)	\$ (2,178,119)

The accompanying notes are an integral part of these interim consolidated financial statements

STONEPOINT GLOBAL BRANDS INC.
CONSOLIDATED SCHEDULES OF OPERATIONS
(Expressed in United States dollars)

	Notes	For the period ended March 31, 2009 (unaudited)	For the period ended March 31, 2008 (unaudited)
COST OF GOODS SOLD			
Purchases and other product costs		\$ 446,434	\$ 382,794
Freight		1,562	44,149
		\$ 447,996	\$ 426,934
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
Accretion interest cost		\$ 17,840	\$ 17,548
Amortization of equipment		15,078	21,507
Bank charges and interest		3,415	(1,727)
Consulting		4,832	62,970
Design and marketing		11,340	11,088
Foreign exchange		(44,731)	396
Interest on debentures		25,003	65,307
Investor relations		-	-
Office		24,641	64,304
Professional fees		2,150	64,368
Regulatory and filing fees		12,111	9,195
Rent		17,146	30,191
Repair and maintenance		7,644	-
Travel		10,132	51,674
Wages and benefits		197,976	355,506
		\$ 304,577	\$ 752,327

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars - Unaudited)
MARCH 31, 2009

1. NATURE OF OPERATIONS AND GOING CONCERN

StonePoint Global Brands Inc. (the "Company") was incorporated under the laws of the Province of Ontario on January 23, 1997. The Company currently operates in two business segments: (a) the development, branding and distribution of premium beverage products, and (b) a hospitality guest room marketing business.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred significant operating losses, has a shareholders' deficiency and its continuing operations are dependent upon its ability to continue to raise adequate financing through additional debt, issuance of share capital, preserve working capital by reducing operating expenses and to commence profitable operations in the near future.

The Company entered into negotiations with debt holders to restructure the long-term debt and received regulatory approval to settle \$2,368,500 of principal debt with certain debenture holders pursuant to the terms in Note 15.

There is no guarantee that the Company can raise adequate financing nor succeed in restructuring the long-term debt. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

	March 31, 2009	December 31, 2007
Working capital (deficit)	\$ (396,737)	\$ (242,710)
Deficit	(12,098,823)	(11,928,769)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These unaudited consolidated financial statements have been prepared by management in U.S. dollars, unless otherwise stated, in accordance with generally accepted accounting principles in Canada ("Canadian GAAP") for interim financial statements.

Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with Canadian GAAP have been condensed or excluded. As a result, these unaudited interim consolidated financial statements do not contain all disclosures required for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2008.

All material adjustments which, in the opinion of management, are necessary for fair presentation of the results of the interim periods have been reflected in these financial statements. The results of operations for the three months ended March 31, 2009 are not necessarily indicative of the results to be expected for the full year.

These unaudited interim consolidated financial statements are prepared following accounting policies consistent with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2008, except for the changes noted under the "New Accounting Standards Adopted" section below.

ADOPTION OF NEW ACCOUNTING POLICIES

Effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior year financial statements.

a) CICA Handbook Section 3064 “Goodwill and intangible assets” which provides guidance on the recognition, measurement, presentation and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. There was no impact to the Company’s financial statements from adopting this standard.

b) In January 2009, the CICA issued EIC 173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities” which requires the entity to consider its own credit risk as well as the credit risk of its counterparties when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is effective for the Company’s 2009 fiscal year, commencing January 1, 2009 and is required to be applied retrospectively without restatement to prior periods. The adoption of this pronouncement did not have a material impact on the valuation of the Company’s financial assets or financial liabilities.

Comparative Numbers

Certain classifications of the comparative figures have been changed to conform to those used in the current period.

3. NOTES RECEIVABLE

	March 31, 2009	December 31, 2008
Balance, beginning	\$ 137,472	\$ 454,482
Advances	-	-
Cash repayments	(61,059)	(240,439)
Non-cash repayment in kind	-	(22,947)
Write-down to net realizable value	-	-
Foreign exchange effect	<u>(2,601)</u>	<u>(53,614)</u>
Balance, ending	73,812	137,472
Less current portion	<u>(73,812)</u>	<u>(137,472)</u>
Balance, long term portion	\$ -	\$ -

STONEPOINT GLOBAL BRANDS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars - Unaudited)
MARCH 31, 2009

3. NOTES RECEIVABLE (continued)

Credit facility promissory notes:

During fiscal 2006, the Company advanced \$542,547 (C\$568,170) through the issuance of promissory notes.

All advances are secured by equipment and other collateral held by the supplier and are repayable on a monthly basis based upon production volumes at the supplier's facilities. The underlying agreements contemplate a term of three years, subject to product volume limits and other requirements, and would be payable on demand in the event of early termination by the supplier with interest accruing at 10% per annum from time of default. Beginning September 2008, the outstanding balance will be repayable on a monthly straight line basis.

4. PROPERTY AND EQUIPMENT

	December 31, 2008			December 31, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment	\$ 258,016	\$ 87,963	\$ 170,053	\$ 318,083	\$ 56,032	\$ 262,051
Furniture	38,855	20,087	18,768	45,488	7,243	38,245
Leasehold improvements	36,413	24,145	12,268	42,645	11,433	31,212
Software	9,659	4,830	4,829	-	-	-
Computer	40,162	25,967	14,195	89,489	54,970	34,519
	\$ 383,105	\$ 162,992	\$ 220,113	\$ 495,705	\$ 129,678	\$ 366,027

5. RELATED PARTY TRANSACTIONS

The Company recognized the following related party balances as at March 31:

Related Party	Account	2009	2008
Officers and Directors	Accounts payable and accrued liabilities	\$ 25,294	\$ 4,829
		\$ 25,294	\$ 4,829

All transactions were in the normal course of operations and were recorded at exchange amounts established and agreed upon between the related parties.

STONEPOINT GLOBAL BRANDS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars - Unaudited)
MARCH 31, 2009

6. NOTES PAYABLE

	March 31, 2009	December 31, 2008
\$373,145 (C\$456,000) notes payable, unsecured, bearing interest at 12% per annum and due on August 15, 2009.	\$ 365,119	\$ 373,145
\$490,980 (C\$600,000) notes payable, unsecured, bearing interest at 12% per annum and due on March 22, 2010.	480,420	490,980
\$159,569 (C\$195,000) notes payable, unsecured with an original term of three years, bearing interest at 12% per annum and due on August 31, 2010.	156,137	159,569
\$658,732 (C\$805,000) notes payable, unsecured with an original term of three years, bearing interest at 10% per annum and due August 31, 2010, convertible into common shares of the Company at a price of \$1.40 per share, if converted in the first two years of the term and at a price of \$1.60 per share if converted in the third year of the term.	644,564	658,372
\$296,225 (C\$362,000) notes payable, unsecured with an original term of three years, bearing interest at 10% per annum and due January 17, 2011 and is convertible into common shares of the Company at a price of \$0.80 per share.	289,853	296,225
\$208,257 (C\$254,500) notes payable, unsecured with an original term of three years, bearing interest at 12% per annum due August 14, 2011.	203,778	208,257
\$326,042 (C\$398,000) notes payable, unsecured with an original term of three years, bearing interest at 12% per annum due April 25, 2011.	318,679	326,042
Face value of notes payable issued	2,458,549	2,512,590
Deferred financing costs, net	(88,597)	(104,954)
Unamortized equity component	(23,062)	(27,286)
Book value of notes payable	2,346,890	2,380,350
Current portion of notes payable	(365,119)	(373,145)
Long term portion of notes payable	\$ 1,981,771	\$ 2,007,205

STONEPOINT GLOBAL BRANDS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars - Unaudited)
MARCH 31, 2009

6. NOTES PAYABLE (continued)

	March 31, 2009			December 31, 2008		
	Open	Accreted	Balance	Open	Accreted	Balance
Items subject to accretion:						
Deferred financing costs	\$ 102,756	\$ 14,159	\$ 88,597	\$ 164,150	\$ 59,196	\$ 104,954
Equity portion of convertible debt	26,743	3,681	23,062	42,676	15,390	27,286
	\$ 129,499	\$ 17,840	\$ 111,659	\$ 208,826	\$ 74,586	\$ 132,240

On the issuance of convertible debt during year ended December 31, 2008, the value attributed to the convertible feature was \$16,417 which will be accreted to the related debt with a corresponding charge to interest over the term of the note.

7. SHARE CAPITAL

Authorized

Unlimited number of voting common shares.

Issuances

During the period ended March 31, 2009, there no shares issued.

During the year ended December 31, 2008, 173,396 stock options with a weighted average exercise price of C\$0.19 were exercised for proceeds of \$27,927 (C\$32,945). As a result of this, \$18,988 was reclassified from contributed surplus to share capital representing the historical fair value of the options recognized.

Stock options

The Company has a stock option plan (the "Plan") under which a maximum of 20% of the issued and outstanding shares of the Company can be reserved for issuance from time to time. Periodically, directors, officers, key employees and consultants of the Company will be offered options to purchase common shares under the Plan. The exercise price of the options granted pursuant to the Plan may not be less than the price permitted by the TSX Venture Exchange and have a maximum term of 5 years. Vesting terms are determined by the Board of Directors.

STONEPOINT GLOBAL BRANDS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars - Unaudited)
MARCH 31, 2009

7. SHARE CAPITAL (continued)

Stock option transactions are summarized as follows:

	March 31, 2009		December 31, 2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning	1,162,104	C\$ 0.27	1,007,500	C\$ 0.37
Granted	-	-	830,000	0.29
Exercised	-	-	(173,396)	0.16
Forfeited/cancelled	-	-	(502,000)	0.56
Outstanding, ending	1,162,104	C\$ 0.27	1,162,104	C\$ 0.27

The following incentive stock options were outstanding as at March 31, 2009:

Exercise Price	Options Outstanding	Options Exercisable	Expiry Date
C\$0.55	100,000	100,000	June 26, 2010
0.10	175,000	175,000	August 2, 2010
0.12	119,000	119,000	November 1, 2010
0.25	568,104	318,104	August 11, 2011
0.35	100,000	25,000	August 11, 2011
0.45	100,000	25,000	August 11, 2011
	1,162,104	762,104	

The weighted average life of stock options issued and outstanding is 2.10 years (2008 – 2.20 years). The weighted average life of stock options issued and exercisable is 1.86 years (2008 – 1.98 years).

7. SHARE CAPITAL (continued)

Stock-based compensation

During the period ended March 31, 2009 no stock options were granted or exercised.

During the year ended December 31, 2008, the Company granted 830,000 stock options with a weighted average fair value of C\$0.15 per option. Vesting periods ranged from the date of grant to one year and the stock-based compensation expensed totaled \$93,492 of which \$59,222 was included in wages and benefits and \$34,270 was included in consulting.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2008
Risk-free interest rate	2.91%
Expected life of options	2.28 years
Annualized volatility	112.05%
Dividend rate	0.00%

8. COMMITMENTS

(a) The Company leases premises under operating leases. The future minimum annual lease payments under operating lease arrangements are as follows:

2009	\$ 82,680
2010	82,680

STONEPOINT GLOBAL BRANDS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars - Unaudited)
MARCH 31, 2009

9. SEGMENTED INFORMATION

The Company operates in two business segments being (a) the sale and development of enhanced beverage products in various geographic locations, and (b) a hospitality guest room marketing business operating in the United States.

Geographic information is as follows:

	March 31, 2009	March 31, 2008
Sales and royalties during the years:		
Canada (including royalties)	\$ 1,562	\$ -
Japan	342,288	442,585
United States	104,145	131,902
	<u>\$ 447,996</u>	<u>\$ 574,487</u>

	March 31, 2009	December 31, 2007
<i>As at the balance sheet date:</i>		
Capital assets:		
Canada	\$ 200,389	\$ 220,113
Japan	-	-
United States	-	-
	<u>\$ 200,389</u>	<u>\$ 220,113</u>

9. SEGMENTED INFORMATION (continued)

Selected information concerning segment operations is presented below for the periods then ended.

<i>Business segment data (selected items) – March 31, 2009</i>	Beverage	Hospitality	Total
	\$	\$	\$
Sales	343,581	104,145	2,967,186
Interest on debentures	5,001	20,002	25,003
Consulting	4,832	-	4,832
Design and marketing	-	11,340	11,340
Segment loss	85,163	84,692	169,855

<i>Business segment data (selected items) – March 31, 2008</i>	Beverage	Hospitality	Total
	\$	\$	\$
Sales	442,585	131,902	574,487
Interest on debentures	13,061	50,006	63,067
Consulting	1,882	61,088	62,970
Design and marketing	-	11,088	11,088
Segment loss	192,100	250,066	442,166

10. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

Capital Management

The Company's capital includes debt and shareholder's equity. The Company's primary objective with respect to its capital management is to ensure that it has sufficient capital to maintain its ongoing operations, to provide returns for shareholders and benefits for other stakeholders and to pursue growth opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. As at March 31, 2009, the Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy.

Fair Values

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and price risk.

10. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

a) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the volatility of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company has in place a planning and budgeting process to help determine funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there is sufficient committed capital to meet its short-term business requirements, taking into account anticipated cash flows from operations and its holdings in cash. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk due to its limited cash reserves.

The maturities of the Company's financial liabilities are as follows:

	Within 1 Year	1 to 5 Years
	\$	\$
Accounts payable and accrued liabilities	289,249	-
Debt obligations (Note 6)	365,119	2,139,445
	<u>654,368</u>	<u>2,139,445</u>

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's credit risk is related to accounts receivables in the ordinary course of business, cash and notes receivable. The Company has an economic dependence on a single customer (Note 14). Cash is held in major financial institutions in Canada and the United States. Accounts receivables are subject to regular credit checks. Notes receivable is secured by equipment and other collateral.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and foreign exchange rates.

i. Foreign Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates specifically affecting long term debt (Note 7) which is repayable in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

10. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Presently, all of the Company's outstanding borrowings are at a fixed rate. The average interest rate paid by the Company during the year on its outstanding borrowings was approximately 11.26%. A change of 1% in interest rates would affect interest expense by approximately \$25,000.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Presently, the Company's sales price to its Japanese customer is fixed based on a sales agreement in effect through 2013 (Note 12). The Company's sales prices to its hotel customer are also fixed based on agreed sales agreements which are subject to change annually.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	For the period ended March 31, 2009	For the period ended March 31, 2008
Cash paid for interest	\$ 25,003	\$ 65,307
Cash paid for income taxes	\$ -	\$ -

12. ECONOMIC DEPENDENCE

The Company sells products to one customer in Japan, under an agreement expiring January 13, 2013. During the period ended March 31, 2009, this customer accounts for 76% (2008 – 77%) of revenues.

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2009 the Company:

- a) entered into debenture settlement and pooling agreements ("Settlement Agreement") with certain debenture holders totalling \$2,159,085 (C\$2,368,500) for which regulatory approval was received. Pursuant to the terms of the settlement Agreements, the debentures subject to the Settlement Agreement will be settled as follows:
- 50% of the outstanding principal amount will be settled in consideration of the issuance by the Company of a five year, unsecured debenture in the same principal amount with interest payable at 6% per annum;
 - The remaining 50% of the outstanding principal amount will be settled in consideration of the issuance by the Company of Class A common shares of the Company priced at a conversion rate of \$0.30 per share;

13. SUBSEQUENT EVENTS (continued)

- The shares will be subject to a pooling arrangement which will result in the shares becoming released in three tranches as follows: 33.33% 12 months after the closing date; 33.33% 18 months after the closing date, and 33.33% 24 months after the closing date.

An additional \$90,000 in Settlement Agreements was received subsequent to March 31, 2009 which is subject to regulatory approval.

- b) arranged a non-brokered private placement of up to 5,00,000 shares at a price of C\$0.15 per share for gross proceeds of C\$750,000 of which C\$200,000 has been received.

MANAGEMENT DISCUSSION AND ANALYSIS

To the Shareholders of StonePoint Global Brands Inc.:

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of StonePoint Global Brands Inc. (“StonePoint” or the “Company”) and compares its financial results for the period ended March 31, 2009 to the previous year. This MD&A should also be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2008. The Company’s reporting currency is the United States dollar and all amounts in this MD&A are expressed in United States dollars. The Company reports its financial position, results of operations and cash-flows in accordance with Canadian generally accepted accounting principles. This MD&A is current as at May 27, 2009.

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at www.sedar.com.

OVERVIEW

StonePoint is an international brand development and deployment company. The Corporation specializes in identifying growing consumer markets and developing a supply chain strategy to deliver the products in a cost effective manner.

There are currently two identifiable segments of operations:

- International segment currently focused on the bottling and distribution of super-oxygenated bottled water to Japan.
- Hospitality segment focused on implementing comprehensive brand solutions in hotels and resorts, and supplying premium consumer products for sale in-room, through room service and on-site retail locations.

QUARTERLY HIGHLIGHTS

- The Company entered into negotiations with debt holders as at December 31, 2008 to restructure the long-term debt and received regulatory approval to settle \$2,368,500 of principal debt with certain debenture holders pursuant to the terms in Note 15 of the interim financial statements subsequent to March 31, 2009. An additional \$90,000 in Settlement Agreements was received subsequent to March 31, 2009 which is subject to regulatory approval.
- The Board and senior management continue to aggressively cut operational costs.
- Selling, general and administrative ("SG&A") expenses dropped by 59.5% for the period ended March 31, 2009 when compared to the same prior year reporting period.
- Overall gross profit as a percentage of sales improved from 23.8% to 29.8% due to continued efforts to manage direct cost of sales and an increased emphasis on hospitality sales.
- The Company is working closely with its largest Japanese customer to further develop sales of its super-oxygenated water while pursuing new product opportunities. The Company implemented several sales enhancement initiatives involving sales training, product promotion and incentive programs;
- The Company entered into a purchase agreement with Fairmont Hotel Vancouver to provide a custom branded in-room retailing program which launched in Q1 2009.
- The Company is now focused on growing its enhanced beverage line (utilizing the Life O2 patent and technology acquired in 2003), securing additional clients for its hospitality business in North America, and developing and deploying higher margin brands and products in growing Asian markets.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

All figures in U.S. Dollars	March 31, 2009	March 31, 2008
<i>Income statement data (selected items only):</i>		
Sales	\$ 446,434	\$ 574,488
Cost of sales	(313,273)	(426,934)
Gross profit	<u>133,161</u>	<u>147,554</u>
Selling, general and administrative expenses	<u>\$ 304,577</u>	<u>\$ 752,327</u>
Loss and comprehensive loss for the period	<u>\$ 169,854</u>	<u>\$ 442,166</u>
Basic Loss Per Share	<u>\$ 0.01</u>	<u>\$ 0.03</u>

All figures in U.S. Dollars	March 31, 2009	December 31, 2008
<i>Balance sheet data (selected items only):</i>		
Total Assets	<u>458,020</u>	<u>722,123</u>
Liabilities / deficiency		
Accounts payable and accrued liabilities	289,249	371,575
Total long-term debt	2,346,890	2,380,350
Shareholders' deficiency	\$ 2,178,119	\$ 2,029,802
Working capital deficiency	\$ 396,737	\$ 242,170
Basic weighted average shares outstanding	<u>15,185,427</u>	<u>15,001,345</u>

SELECTED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

<i>Selected data only:</i>	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Sales (non-royalty)	\$ 446,434	\$ 634,586	\$ 996,538	\$ 758,659
Gross profit(non-royalty)	133,161	150,725	209,624	151,732
Gross profit %	29.8%	23.8%	21.0%	20.0%
SG&A expense	304,577	655,540	911,498	659,769
Net loss	169,854	491,204)	655,338	474,353
Per common share - basic	\$ 0.01	\$ 0.03	\$ 0.04	\$ 0.03

<i>Selected data only:</i>	March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007
Sales (non-royalty)	\$ 574,488	\$ 530,120	\$ 1,350,895	\$ 1,849,180
Gross profit(non-royalty)	109,153	57,160	325,152	738,687
Gross profit %	19.00%	10.7%	24.1%	39.9%
SG&A expense	474,625	858,206	954,406	1,039,684
Net loss	321,240	799,321)	607,066	288,220
Per common share - basic	\$ 0.02	\$ 0.06	\$ 0.05	\$ 0.02

DISCUSSION OF SELECTED QUARTERLY AND CONSOLIDATED FINANCIAL INFORMATION

During the three month period ended March 31, 2009, the Company experienced an overall increase in gross profit percentage which was mainly due to lower cost of goods. In addition, net loss and basic loss per share dropped significantly from the prior quarter due to significant cost cutting efforts by management.

As at March 31, 2009, accounts payable decreased significantly due to the pay down of several vendor balances during the quarter. This drew down cash reserves generated from operations and note receivable collections which ultimately resulted in lower total assets reported at the balance sheet date.

The previously reported quarterly results have been updated as at December 31, 2008 year end and will be used in subsequent reporting periods.

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SEGMENTED INFORMATION

<i>Business segment data (selected items)</i>	Beverage	Hospitality	March 31, 2009
	\$	\$	\$
Sales	342,288	104,145	446,433
Cost of goods sold	249,457	63,186	313,273
Gross Profit	92,831	40,329	133,170
Gross Profit %	27.1%	38.7%	29.8%
Interest paid on debentures	5,001	20,002	25,003
Consulting	4,832	-	4,832
Design and marketing	-	11,340	11,340
Segment loss	85,163	84,962	169,885

<i>Business segment data (selected items)</i>	Beverage	Hospitality	March 31, 2008
	\$	\$	\$
Sales	442,585	131,902	574,487
Cost of goods sold	341,910	85,024	426,934
Gross Profit	100,675	46,878	147,553
Gross Profit %	22.7%	35.5%	25.6%
Interest paid on debentures	13,061	50,066	63,067
Consulting and business development	1,882	61,088	62,970
Design and marketing	-	11,088	11,088
Segment loss	192,100	250,066	442,166

RESULTS OF OPERATIONS

International segment

Revenues comprise sales and royalties of \$342,288 for the year ended March 31, 2009 compared with \$442,585 for the same period in 2008.

Gross profit as a percentage of sales was 27.1% for the period ended March 31, 2009 compared with 22.7% for the same period in 2008.

Earnings for the current reporting year are impacted by the following operational and economic factors:

- The period over period change is due to decreased case volume orders.
- Dramatic rise in oil prices during the first two quarters of 2008 which impacted fuel costs and petroleum based products (i.e. plastics used in water bottling) for the majority of the year did not recur in the Q1 2009. Gross profit percentage was positively affected by the decline in fuel prices.

Management's strategy is as follows:

- Diversification into growing target markets to mitigate economic dependency.
- Diversification of current product line into other premium products for growing target markets.
- The Company will continue with its plans to work closely with its largest Japanese customer to further develop sales and distribution.
- The Company is working with its freight forwarders to increase shipping capacity of containers used in product transportation overseas.
- The Company intends to expand its customer base to emerging Asian markets.

Segment loss for period ended March 31, 2009 decreased by \$106,937 compared to the same period of the previous year.

The significant positive change in segment losses for the current reporting period are due to the following factors:

- Discontinuation of several salaried consulting contracts in line with restructuring efforts. Segmented wages increased due to the reallocation of parent company staffing costs to the subsidiary. This is in line with the restructuring efforts which aimed at combining human resource skill sets across the two segments of operations.
- Significant impact from management's cost cutting program.

Hospitality segment

Revenues comprise sales of \$104,145 for the period ended March 31, 2009 and \$131,902 for the same period in the previous year.

Gross profit as a percentage of sales was 38.7% for the period ended March 31, 2009 compared with 35.5% for the same period in 2008.

Earnings for the current reporting year are impacted by the following operational and economic factors:

- Consumer spending in the US decreased in 2008 due to rises in basic grocery and fuel prices and world economic slowdown. This has also impact room occupancy at major hotels and resorts.
- Dramatic rise in oil prices which has impacted fuel costs affecting petroleum based packaging and freight costs of goods which occurred in 2008 did not recur in Q1 2009. The drop in oil prices has directly benefited this segment's gross profit percentage.

Management's strategy is as follows:

- Work closely with hospitality clients in developing new products for sale through the in-room shopping system.
- Acquire new hospitality partners in growing target markets. Fairmont Hotel in Vancouver, Canada entered into an in-room hotel program with the Company during Q3 2008. In Q1 2009, the program was successfully launched.
- Continue to improve the inventory procurement strategy to reduce the risk of inventory obsolescence.

Segment loss totaled \$84,962 for the period ended March 31, 2009 and \$250,066 for the same period of the previous year.

The significant positive change in segment losses for the current reporting period are due to the following factors:

- Discontinuation of several consulting and salaried contracts in line with management restructuring efforts.
- Design and marketing costs related to customized branding and packaging for hotel partners incurred in the previous comparable period did not recur in the current reporting period.

During Q1 2009, the Company has completed the development of its second generation of in-room products and can now also offer room service packages and products for on-site retail locations. The new program includes upgraded technology products and a broader selection of premium foods. The Company's packaging portfolio includes eco-friendly options and more content size choices for the client. These program improvements combined with value-added branding, product innovation and quality control services contribute to management's confidence in the business model and the company's positioning in the market.

One new client launched the upgraded program and two existing customers are in the process of upgrading their programs. Management is also focusing on developing high level relationships within the hospitality sector.

SHARE DATA

As at March 31, 2009, the Company had 15,185,427 shares outstanding (2008 – 15,185,427).

The following incentive stock options were outstanding:

	March 31, 2009		December 31, 2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning	1,162,104	C\$ 0.27	1,007,500	C\$ 0.37
Granted	-	-	830,000	0.29
Exercised	-	-	(173,396)	0.16
Forfeited/cancelled	-	-	(502,000)	0.56
Outstanding, ending	1,162,104	C\$ 0.27	1,162,104	C\$ 0.27

There were no share issuances during the period ended March 31, 2009.

During the year ended December 31, 2008, the Company granted 830,000 stock options (2007 - 318,000) with a weighted average fair value of C\$0.15 (2007 - \$0.56) per option. Using the Black-Scholes option pricing model, the stock options were recorded at fair value of \$93,492 (2007 - \$141,120) of which \$59,222 (2007 - \$141,120) vested and included in wages and benefits and \$34,270 (2007 - \$Nil) vested and included in consulting.

LIQUIDITY

Subsequent to March 31, 2009, the Company entered into debenture settlement and pooling agreements (“Settlement Agreement”) with certain debenture holders totalling C\$2,368,500 of the C\$3,070,500 outstanding debt. Pursuant to the terms of the Settlement Agreements, the existing debentures issued from December 2005 to July 2008 will be compromised and settled as follows:

- 50% of the outstanding principal amount will be settled in consideration of the issuance by the Company of a five year, unsecured debenture in the same principal amount with interest payable at 6% per annum;
- The remaining 50% of the outstanding principal amount will be settled in consideration of the issuance by the Company of Class A common shares (“Settlement Shares”) of the Company priced at a conversion rate of \$0.30 per share;
- The shares will be subject to a pooling arrangement which will result in the shares becoming released in three tranches as follows: 33.33% 12 months after the closing date; 33.33% 18 months after the closing date, and 33.33% 24 months after the closing date.

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The Settlement Shares would have the following impact on loss per share:

	Shares	Basic Loss Per Share
Balance at March 31, 2009	15,185,427	0.13
Settlement Shares	3,947,500	(0.03)
Balance after Issuance	19,132,927	0.10

By relieving immediate and near-term cash flow pressures from monthly interest payments, and maturing debentures, the Company will be better positioned to grow sales.

The Company currently has the following note receivable outstanding:

	March 31, 2009	December 31, 2008
Balance, beginning	\$ 137,472	\$ 454,482
Advances	-	-
Cash repayments	(61,059)	(240,439)
Non-cash repayment in kind	-	(22,947)
Write-down to net realizable value	-	-
Foreign exchange effect	(2,601)	(53,614)
Balance, ending	73,812	137,472
Less current portion	(73,812)	(137,472)
Balance, long term portion	\$ -	\$ -

The Company expects full collection of the \$73,182 within the next 12 months.

CAPITAL RESOURCES

The Company depends upon the junior capital markets to raise equity and debt financing needed to fund its working capital requirements to the extent not generated internally from operations.

During the year ended December 31, 2008, 173,396 stock options with a weighted average exercise price of C\$0.19 were exercised for proceeds of C\$27,554. During the year ended December 31, 2008 there were no issuances of share purchase warrants.

The Company's ability to continue to raise equity financing for any purpose, or course, remains subject to the general investment climate and investors' interest in supporting the Company's business objectives.

Subsequent to March 31, 2009, the Company arranged a non-brokered private placement of up to 4,333,333 shares at a price of C\$0.15 per share for gross proceeds of C\$650,000. C\$150,000 had been received as of date of this document.

OFF – BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at the date of this document.

RELATED PARTY TRANSACTIONS

The Company recognized the following related party balances as at March 31:

Related Party	Account	2009	2008
Officers and Directors	Accounts payable and accrued liabilities	\$ 25,294	\$ 4,829
		\$ 25,294	\$ 4,829

All transactions were in the normal course of operations and were recorded at exchange amounts established and agreed upon between the related parties.

ADOPTION OF NEW ACCOUNTING POLICIES

Effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior year financial statements.

a) CICA Handbook Section 3064 “Goodwill and intangible assets” which provides guidance on the recognition, measurement, presentation and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. There was no impact to the Company’s financial statements from adopting this standard.

b) In January 2009, the CICA issued EIC 173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities” which requires the entity to consider its own credit risk as well as the credit risk of its counterparties when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is effective for the Company’s 2009 fiscal year, commencing January 1, 2009 and is required to be applied retrospectively without restatement to prior periods. The adoption of this pronouncement did not have a material impact on the valuation of the Company’s financial assets or financial liabilities.

CAPITAL MANAGEMENT

The Company's capital includes debt and shareholder's equity. The Company's primary objective with respect to its capital management is to ensure that it has sufficient capital to maintain its ongoing operations, to provide returns for shareholders and benefits for other stakeholders and to pursue growth opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. As at March 31, 2009 the Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy.

FINANCIAL INSTRUMENTS

During the period ended March 31, 2009, the Company used a mixture of cash and long-term debt to maintain an appropriate capital structure, ensuring sufficient liquidity required to meet the needs of the business and the flexibility to continue growing through acquisition. The Company has not executed any interest rate contracts or other derivative financial instruments to manage the risks associated with its operations and therefore, in the normal course of business, are inherently exposed to currency, and interest rate fluctuations.

The Company's financial instruments consist of cash accounts receivable, notes receivable, accounts payable and accrued liabilities and notes payable. Management has determined that the carrying value of the financial instruments approximate fair value due to their short-term nature. The Company is exposed to credit risk only with respect to uncertainties as the timing and amount of collectability of accounts receivable and the note receivable. The Company mitigates credit risk through standard credit and reference checks, and its settlement agreement with the borrower of the note receivable.

Fair Values

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and price risk.

a) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the volatility of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company has in place a planning and budgeting process to help determine funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there is sufficient committed capital to meet its short-term business requirements, taking into account anticipated cash flows from operations and its holdings in cash. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk due to its limited cash reserves.

The maturities of the Company's financial liabilities are as follows:

	Within 1 Year	1 to 5 Years
	\$	\$
Accounts payable and accrued liabilities	289,249	-
Debt obligations (Note 6)	365,119	2,139,445
	<u>654,368</u>	<u>2,139,445</u>

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's credit risk is related to accounts receivables in the ordinary course of business, cash and notes receivable. The Company has an economic dependence on a single customer (Note 14). Cash is held in major financial institutions in Canada and the United States. Accounts receivables are subject to regular credit checks. Notes receivable is secured by equipment and other collateral.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and foreign exchange rates.

i. Foreign Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates specifically affecting long term debt (Note 7) which is repayable in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Presently, all of the Company's outstanding borrowings are at a fixed rate. The average interest rate paid by the Company during the year on its outstanding borrowings was approximately 11.26%. A change of 1% in interest rates would affect interest expense by approximately \$25,000.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Presently, the Company's sales price to its Japanese customer is fixed based on a sales agreement in effect through 2013 (Note 12). The Company's sales prices to its hotel customer are also fixed based on agreed sales agreements which are subject to change annually.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements and all information in the annual report are the responsibility of the Board of Directors and management. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting through an Audit Committee.

Conversion to International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company's reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and mineral property commitments.

The Company has designated the appropriate resources to the project to develop an effective plan and will continue to assess resource and training requirements as the project progresses. The Company has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The scoping and planning phase involves designating conversion leader, mobilizing organizational support for the conversion plan, identifying major areas affected implementation plan and communication strategy. The Company has completed the scoping and planning phase. The detailed assessment phase ("2nd Phase") which is in progress will result in accounting policies, estimates of quantification of financial statement impact, preparation of shell financial statements and identification of business processes and resources impacted. The Company expects to complete the shell financial statements including estimates of the anticipated financial statement impact by the end of the third quarter of 2009. The operations implementation phase ("phase 3") includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at January 1, 2010, fiscal 2010 and thereafter. Post implementation ("phase 4") will include sustainable IFRS compliant financial data and processes for fiscal 2011 first quarter of 2009 and beyond. The Company will continue to monitor changes in IFRS throughout the duration of the conversion process and assess their impacts on the Company and its reporting.

RISK FACTORS

This MD&A contains forward-looking statements that involve risks and uncertainties. The forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

The business of brand development involves a high degree of risk. The Company's activities are highly concentrated in this sector, and are exposed to above average cyclical fluctuations due to economic conditions, product supply/demand imbalances and global political factors. The Company's beverage segment relies substantially on one customer in Japan, while the hospitality segment is a completely new business initiative. Junior companies in this sector focus on early-stage business opportunities, but few of these opportunities are ultimately developed into profitable enterprises. At present, none of the Company's segments generate sufficient cash flow internally to support their operations. Thus, they are reliant on raising additional financing to continue their development. The Company's businesses are also exposed to intense competition, environmental and insurance risks, as well as political and economic instability.

Other risks facing the Company include competition which can either increase costs or reduce the number of attractive opportunities; reliance on third parties, including consultants; statutory and regulatory requirements and uncertainty of additional financing. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward looking statements. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.